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FISCAL IMPACT STATEMENT

LS 6659

BILL NUMBER: HB 1199

NOTE PREPARED: Dec 29, 2008

BILL AMENDED:

SUBJECT: Uniform County Innkeeper's Tax.

FIRST AUTHOR: Rep. Dembowski

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill extends the uniform county innkeeper's tax to the rental of campsites in a campground.

Effective Date: July 1, 2008.

Explanation of State Expenditures: *Summary:* The Department of State Revenue (DOR) could receive additional innkeeper's tax collections to process from taxpayers in Scott County. Of the counties affected by the bill, only Scott's collections are processed by the DOR. The DOR would be able to process the additional innkeeper's taxes within the existing level of resources available to the DOR.

Background- DOR administers, audits, and collects local taxes at approximately \$0.54 per \$100 of revenue.

Explanation of State Revenues:

Explanation of Local Expenditures: The counties that currently have an innkeeper's tax under the uniform statute may have additional revenue to process if campsites exist within their borders.

Explanation of Local Revenues: *Summary-* Based on sales tax revenue from camp/RV taxpayers in uniform tax counties, approximately \$0.3 M in additional revenue could be collected annually. The estimate assumes that current sales tax revenue trends in these counties would continue. Ultimately, the amount of additional revenue collected would depend on behavioral changes of patrons, as these persons would see increased camping rates as a result of extending the tax to campsites. The bill would affect both state and private

camping facilities.

Background: There are 47 uniform innkeeper's tax counties, with 36 remitting sales tax from campgrounds during FY 2008. Those 36 counties collected \$11.2 M in innkeeper's taxes during FY 2008.

State Agencies Affected: DOR.

Local Agencies Affected: Counties that have adopted an innkeeper's tax under IC 6-9-18-3.

Information Sources: *Indiana Handbook of Taxes, Revenues, and Appropriations*; DeLorme: *Indiana Atlas & Gazetteer*; DOR.

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